

**TIPPECANOE COUNTY COUNCIL
TIPPECANOE COUNTY COMMISSIONERS
JOINT MEETING
JUNE 13, 2006**

The Tippecanoe County Council and Tippecanoe County Commissioners held a joint meeting on Tuesday, June 13, 2006 at Noon in the Tippecanoe Room in the County Office Building. Council members present were: Betty J. Michael, Thomas P. Murtaugh, and Kevin L. Underwood. Commissioners present were: President John L. Knochel, Vice President Ruth E. Shedd, and Member KD Benson. Others present were: Auditor Robert A. Plantenga, Commissioners' Assistant Jennifer Weston, Attorney David W. Luhman, and Secretary Pauline E. Rohr.

Greg Guerrettaz, President of Financial Solutions and Tippecanoe County's Financial Consultant, was also present.

President Knochel called the Commissioners' Meeting to order.

The County Council Meeting was not immediately convened due to lack of a quorum.

Capital Projects Plan 2006-2008: Power Point: Commissioners' Assistant Jennifer Weston

Cum Cap Fund Assumptions:

- We fund all projects based on the priority list in the year anticipated; 2006 items included in 2007 budget.
- Not included are projects with other possible funding sources (Clerk, Recorder, Parks, Election, Highway, Court Services)-review budgets and projects individually.
- Continue replacement programs for pc's, vehicles, parks equipment
- Salaries increase 2%/yr
- Grow "cushion" to 25% of gross budget

3 Year Cash Flow

	<u>2006</u>	<u>2007</u>	<u>2008</u>
Beginning Balance	\$3,036,435	\$2,609,443	\$2,024,720
Less:			
Encumbrances	343,006	200,00	150,000
Budget	<u>1,867,757</u>	<u>1,001,793</u>	<u>2,098,876</u>
Gross Budget	2,210,763	2,191,793	2,248,876
Add:			
Anticipated Revenue	1,583,771	1,457,069	1,486,211
Uncommitted Funds	2,409,443	1,874,720	1,262,055
Cushion	500,000	525,000	550,000
Available Funds	<u>\$1,909,443</u>	<u>\$1,349,720</u>	<u>\$712,055</u>
% budget to revenue	17.9%	36.7%	41.2%

Mrs. Weston noted that the Cushion is an annual amount set-aside for unknown expenses.

➔ Councilmember David S. Byers entered the meeting.

Auditor Plantenga explained that, because the Cum Cap Fund is a property tax generated fund based on assessed valuation, the elimination of the Inventory Tax will mean less money for the Fund.

➔ Councilmember Jeffrey A. Kemper entered the meeting.

EDIT Fund Assumptions

Phase II Stormwater fund pays for Water Quality Educator
 Continue setting aside \$1,000,000/yr for drainage projects
 Build Economic Development Rainy Day fund for economic development incentives by \$500,000/yr
 Continue to grow Sheriff Liability fund through 2008
 GIS funding remains constant
 Salaries increase 2%/yr
 Grow “cushion” to 25% of gross budget

Mr. Guerrettaz said building the Economic Development Rainy Day Fund, \$500,000/yr, will help with economic development incentives when needed. The County will be able to borrow from itself and pay back from a TIF District or other funding method. This will prevent the need for outside borrowing and related costs.

3 Year Cash Flow

	<u>2006</u>	<u>2007</u>	<u>2008</u>
Beginning Balance	\$7,795,083	\$7,852,513	\$7,889,987
Less:			
Encumbrances	5,584,294	5,000,000	5,000,000
Budget	<u>4,439,211</u>	<u>5,145,080</u>	<u>4,513,818</u>
Gross Budget	10,023,505	10,145,080	9,513,818
Add:			
Anticipated Revenue	5,080,935	5,182,554	5,286,205
Uncommitted Funds	2,852,513	2,889,987	3,662,373
Cushion	<u>2,000,000</u>	<u>2,200,000</u>	<u>2,300,000</u>
Available Funds	<u>\$852,513</u>	<u>\$689,987</u>	<u>\$1,362,373</u>
% budget to revenue	-12.6%	-0.7%	-14.6%

Current Debt

Courthouse Bonds payoff 2010; or early payoff with EDIT Reserve Fund & Escrow held w/Trustee
 Parking Garage Bonds through 2020
 Jail Lease Rental Bonds through 2023

Debt Limit	\$49,110,884
Current Outstanding 6/2/06	
Courthouse	\$3,070,000
Parking Garage	<u>\$5,110,000</u>
	<u>\$8,180,000</u>

Issuance Margin \$40,930,884

Jail Lease – not subject to debt limit

➔ Councilmember Ronald L. Fruitt entered the meeting.

Early Payoff-Courthouse

EDIT Reserve Fund Balance	\$3,116,997
JP Morgan (Debt Reserve)	<u>\$902,941</u>
Total Available for Payoff	\$4,019,938

Payoff amount	
Principal	\$3,070,000
Interest	\$82,768
Redemption premium	\$27,250
Cost to redeem	<u>\$5,000</u>
	\$3,185,018

Remaining Balance	\$834,920
EDIT free-up	\$892,000

Mr. Guerrettaz pointed out that these numbers are subject to a final check and approval. President Byers confirmed that the simple assumption is early payoff of the Courthouse Bonds. When he wondered if the County should consider early payoff the Garage Bonds, Mr. Guerrettaz hesitated and pointed out that the goal is to get some of the capital projects done before costs escalate further.

3 Year Utilization Plan

Recommendations:

- Continue \$1.3m annual appropriation through 2008 for projects on priority list
- Seek short-term financing for major projects (save 6-9% price escalation)

Budget Year	<u>2006</u>	<u>2007</u>	<u>2008</u>
	\$1,726,920	\$1,300,000	\$1,300,000

3-year total	\$4,326,920
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Capital Projects: Not included in budget

Tax/Assess Program Software	\$425,000
Bldg Permits Software	\$37,000
Fairgrounds – Exposition Bldg.	\$2,500,000
Fairgrounds – Infrastructure Impr.	\$300,000
Sheriff – Jail Video Recording System (digital)	\$175,000
MITS – Fiber to connect Law Enforcement	\$160,000
Extension – Expansion	<u>\$500,000</u>
Total	\$4,097,000

Mr. Guerrettaz said, if the Council and Commissioners want to fund these projects with the \$1.3 million, it is important to determine which projects they want to get done before more cost increases are incurred and before tackling the major costs associated with a Juvenile Detention Center. He said the County can utilize the \$4.3 million for 3 years using short-term financing in order to do projects totaling \$4.1 million.

With a quorum now present, President Byers convened the County Council.

Attorney Luhman reasoned that if the steps are followed to retire the Courthouse Bonds early, the money for the \$4.1 million worth of projects won't be available until 2007. This will make these 2007-08 projects by the time the design work is completed.

Auditor Plantenga brought up the fact that 911 expenses are higher than the revenue and suggested moving the 911 Lease to the EDIT Budget to prevent using up 911's cash balance. After the 911 rate for land lines was raised to the limit last year, revenue increased, but it is again on the decline due to the cancellation of land lines and the greater use of cell phones by users. It was pointed out that only the Legislature can increase the cell phone rate that is significantly lower than the land line rate. Auditor Plantenga said he is meeting with the Sheriff and his staff tomorrow to discuss the 911 Budget for 2007.

Moving back to the Capital Projects list, President Knochel said the Fairgrounds Exposition Building and Extension expansion are not high priorities with him. However, Commissioner Shedd said the Exposition Building is important to her and she thinks they should proceed with it because costs will only increase with time. She said she is not as excited about the Extension expansion because that office could possibly be moved into the Exposition Building. Commissioner Benson pointed out that space will need to be found for Soil & Water Conservation when their office space is no longer Federally funded.

President Byers and Councilmember Underwood agreed the Exposition Building should be large enough to house several offices and forget about expanding the Extension Office. It was mentioned that the location of the Extension property makes it a valuable piece of real estate.

Mr. Guerrettaz suggested that, if the Exposition Building and the Extension can be combined for the \$2.5 million amount, the \$500,000 for the Extension expansion could be used to fund two years of the 911 Lease. Councilmember Fruitt and Commissioner Shedd agreed that would only be a temporary fix for 911.

President Byers asked Sheriff "Smokey" Anderson or Major Tracy Brown to explain the Jail Video Recording System request. Major Brown explained that a digital recording system would have cost approximately \$500,000 when the Jail was built so a less expensive VHS system was installed. Now that the VHS system is wearing out, they would like to replace it with a digital system that has decreased significantly in cost. Major Brown said video recording is essential due to the high liability of occurrences in the Jail. Events need to be recorded and archived for the Department's protection.

Recessed/Reconvened

The meeting recessed at 1:15 P.M. and reconvened at 1:25 P.M.

- Commissioner Shedd moved to move ahead with all the Capital projects except the Extension Expansion for a total of \$3,597,000, seconded by Commissioner Benson.

Attorney Luhman clarified this is an agreement in principle to move ahead. Nothing is final but it will signal the project team to continue to refine the financing of the Capital projects.

- The motion carried with 1 no vote by Commissioner Knochel.
- Councilmember Fruitt moved to approve all Capital projects including the Extension Expansion with the Fairground Exposition Building for a total \$4,097,000, seconded by Councilmember Underwood.

Councilmember Murtaugh said he would like to see a revenue projection for the Exposition Building.

Councilmember Kemper stated he is not ready to commit to these projects until there is a more definitive direction on the location of the Juvenile Detention Center. He said it is his understanding that the Extension property could be a possible location for the Juvenile Detention Center if the Extension Office is moved to the Fairgrounds. President Knochel said the Extension Office has been considered and may still be in the ball park

since no final location has been determined. Councilmember Kemper thinks the Extension location would be a good location because it has easy accessibility and adequate parking. He thinks this option should be factored in before a decision is made to move forward today.

- The motion carried with 1 no vote by Councilmember Kemper.

Juvenile Justice Center: Power Point: Commissioners' Assistant Jennifer Weston

Current Situation

- Superior Court 3 case load has increased from 560 cases in 1995 to over 3,000 in 2005
- Cases range from violent offenses (theft, batter, sexual assault) to non-violent (truancy, possession)
- Whether violent or non-violent, most cases involve history of abuse/neglect; returning home is not always an option or ideal situation

Current Placement Options

- Homes of parents, guardians, or relatives
- Local-Cary Home, Group Homes (treatment vs non-treatment)
- Out-of-county facilities-Boys/Girls schools, Kokomo, Muncie (correctional vs residential)

Current Programs

- Probation, BEAMES, SHOCAP, JAMS, JEDIS, ATLAS, FOCUS, Community Service, Programming at Community & Family Resource Center, other non-profits and community-based organizations

➔ Councilmember Kathy Vernon entered the meeting.

Current Cost

- DOC facilities - \$60/day; \$700,000 annually
- Out-of-county facilities - \$120 to \$350/day; \$400,000 annually

Our Vision – Comprehensive Juvenile Justice

- Courts and supporting offices
- Education component
- Treatment programs
- Secure detention

Estimated (new) Costs

Construction of Center & Cary Home Improvements

Secure Detention	\$11,897,523
Alternative Programs	\$3,381,471
Cary Home (female res)	\$1,449,910
Cary Home (renovation)	\$815,471
Court & Related	<u>\$4,334,959</u>
Total	\$21,879,334

Operation of Facilities

Juvenile Justice Center	\$3,063,057
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Cary Home for Girls	\$348,608
Total	\$3,411,666

Staffing

<u>Juvenile Justice Center</u>	<u>Cary Home for Girls</u>
Executive Director (1)	Direct Line Staff (7)
Administrative/Clerical (4)	
Program Managers/Supervisors (9)	
Direct Line Staff (33)	
Medical/Therapy (6)	
Facility Support (5)	
Total (58)	
Total Staffing Estimate	\$2,843,000

How Do We Pay for It

Minimizing the Cost of Operation

New Costs	\$3,411,666
Less:	
Elimination of Private Placements (Sup 3)	\$400,00
Reduction in DOC Placement Revenue from per diem	\$420,000
New per diem (girls, out-of-county placements)	\$250,000
Increase in court ordered reimbursements	\$150,000
Needed operational funding	\$2,191,666

Possible Funding Sources

- Construction: Bond issue (property tax)
- Operations: Income taxes
- Seek grants and other funding sources for construction, furnishing, programming

Why We Need to Do It

- Keep kids and families together
- Treat kids and families
- Renting vs buying
- Maintain control
- Add emergency services
- Provide immediate consequences
- Improve efficiencies by co-location of juvenile services
- The “right” thing to do

ADJOURNMENT

- Commissioner Shedd moved to adjourn, seconded by Commissioner Benson; motion carried.

RECESSED

Councilmember Kemper moved to recess until 2:00 P.M., seconded by Councilmember Vernon; motion carried.

**BOARD OF COMMISSIONERS OF
THE COUNTY OF TIPPECANOE**

John L. Knochel, President

Ruth E. Shedd, Vice President

KD Benson, Member

ATTEST:

Robert A. Plantenga, Auditor